

Consumer Choices Shape Communities

Survey Suggests Market-Based Vision of Smart Growth

American home buyers prefer large houses and large lots and are willing to live in distant suburbs and accept longer commutes in order to have more space inside and outside the home, according to a new survey conducted by the National Association of Home Builders (NAHB) and the National Association of Realtors® (NAR). The survey also found apparent contradictions between the choices individual consumers make when buying a home and their recommendations for growth policies.

"Home buyers are telling us that the quality of life in their neighborhood is more important than proximity to jobs and the urban core," said Gary Garczynski, president of the National Association of Home Builders (NAHB) and a builder and developer from Woodbridge, Va. "The home owners' responses to questions about how to direct growth were, in many ways, in direct contradiction to their statements about the homes and neighborhoods where they live now and the amenities that will be most important when they choose their next home and its location."

"We need to be paying more attention to consumers' choices in order to lay the foundation for a vision of smart growth that takes into account realities of the market,"

Garczynski said. "It makes no sense to base policies on a vision of growth that consumers will not accept. To be effective in the long run, government officials and planners must instead create land-use and growth policies based on market realities."

The survey asked respondents to rank three alternative methods of directing development. Building new homes "in existing, partially developed suburban areas," was the leading alternative, followed by building new homes "on vacant land in the central city or inner suburb [see Figure 1].

But when asked to rate the importance of 16 aspects of a home's location, the respondents indicated a preference for location advantages most often associated with development on the suburban fringe. For

FIGURE 2 Rate the importance of the following features when you purchase your next home

Rating on a scale of 1 to 5: 1=not at all important and 5= very important

	Average rating	% checking important to very important
1. Houses spread out	3.67	62%
2. Less traffic in neighborhood	3.65	60
3. Lower property taxes	3.62	55
4. Bigger home	3.25	47
5. Bigger lot	3.19	45
6. Less developed area	3.12	40
7. Away from city	3.09	39
8. A good neighborhood	3.07	43
9. Better schools	3.02	44
10. House with more luxury features	2.98	35
11. Closer to work	2.76	28
12. Getting to work more quickly	2.67	23
13. Recreational facilities	2.60	22
14. Closer to public transportation	2.06	13
15. Smaller lot	1.98	9
16. Smaller house	1.97	10

example, "houses spread out" received the highest rating, with 62 percent of respondents checking important to very important, followed by less traffic in neighborhood, 60 percent. Responses to that same question indicated that location advantages most associated with urban development, such as "smaller lot" or "closer to public transportation," were not particularly important to home buyers [see Figure 2].

The survey also asked home buyers to rate the "most important consideration" in the purchase of their current home from a list of seven factors. The most important factor was price, named by 41 percent of respondents, followed closely by location, named by 39 percent [see Figure 3].

The survey responses suggest a vision of smart growth that home buyers are prepared to embrace, Garczynski said. "A majority of consumers want single-family detached homes in a pedestrian-friendly com-

FIGURE 1 There are at least three ways to direct development to meet housing needs due to growth in number of households. Please rank them. (1 is most preferred; 3 is third-most preferred)

	Ranking		
	One	Two	Three
Build new homes in outlying areas	29%	26%	45%
Build new homes in existing, partially developed suburban areas	37	51	12
Build new homes on vacant land in the central city or inner suburbs	35	23	42

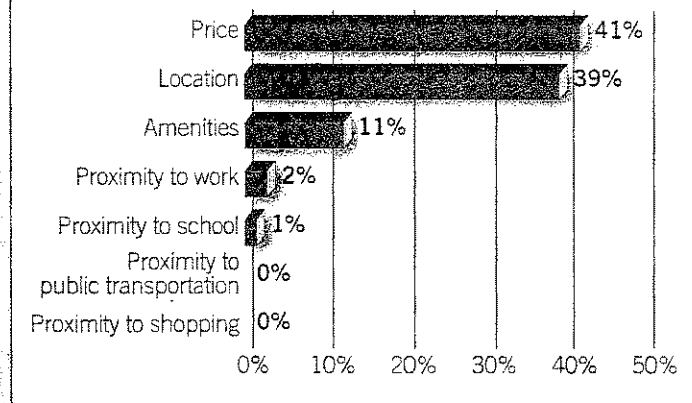
munity that has shopping within walking distance."

They want a mix of open space, including parks, recreational facilities, playgrounds, farms, nature preserves and undeveloped areas, Garczynski added. They also want traffic minimized on neighborhood streets, but with easy access to highways. "Most are environmentally aware, but they are unwilling to pay more or sacrifice convenience to have a home that is more environmentally sound. And for most, access to public transportation and proximity to the city are relatively unimportant," he said.

"Consumers are pro growth, but they want growth that creates strong communities and enhances quality of life," Garczynski added. "To the extent that we—builders, developers, planners, elected officials—can create high quality, walkable, mixed-use communities, we will deliver a version of smart growth that is more likely to be accepted in the marketplace."

When asked how much they would be willing to pay for a more environmentally friendly home, the largest group, 35 percent, said they wanted an environmentally friendly home but were not willing to pay more for it. Another 33 percent said they were concerned about the en-

FIGURE 3 Thinking about the factors you took into account before purchasing your home, what was the most important consideration?



vironment but not in terms of their home purchase, while 18 percent said they would be willing to pay for an environmentally friendly home. Just 14 percent said they were not concerned about the environment.

"The survey indicates that home buyers prefer lower-density development," Garczynski said. "And you can't blame them, given that a lot of high-density growth has not been well done in recent decades. Planners and elected officials need to allow greater flexibility and innovation in high-density development, and builders and developers need to be more creative in land planning and design to make high density more attractive," he added.

"We've got to do better, or consumers simply will not accept higher density, infill development," he said. "Fortunately, we have some excellent models now that demonstrate

how higher density development can create great communities."

Two questions—one asking what type of home respondents lived in before their most recent move and another asking what type of home they now own—indicate that families looking to purchase a home tend to prefer a single-family home. For example, about 58 percent of respondents said the home they lived in before their most recent move was a single-family detached home, while 76 percent said they now live in a single-family detached home [see Figures 4 and 5].

"That preference for a single-family detached home is consistent with the pattern of preferences we see as people move through the life cycle of housing," Garczynski said. "Typically, young households are looking for an apartment, a townhouse or a smaller home. As fami-

lies have children, they're more likely to look for a single-family detached home and a yard. And then we have empty nesters who don't necessarily feel they need a big house and a big yard."

Asked what one thing they would change in their home or community, lower taxes, bigger home and larger lot topped the list [see Figure 6]

When asked to agree with various statements about their homes, by far the biggest response—64 percent—agreed with the statement, "I wish my home were larger." The next closest statement, "I wish I could walk to more places from my home," was checked by just 27 percent of respondents, while less than one-quarter of respondents, 23 percent, agreed with the statement, "I wish my home were closer to where I work." Nine percent said they wish they "were closer to public transportation," and just one in 20 respondents agreed with the statement, "I wish I were closer to the city."

When asked about the location of their current home, 32 percent said they live in an inner suburb and 28 percent said they live in a rural area. Some 25 percent said they live in an outer suburb and 15 percent within a large city. Regarding the location of their previous home, 26

FIGURE 4

Which type of home did you live in before moving to this home?
(Percent of Respondents)

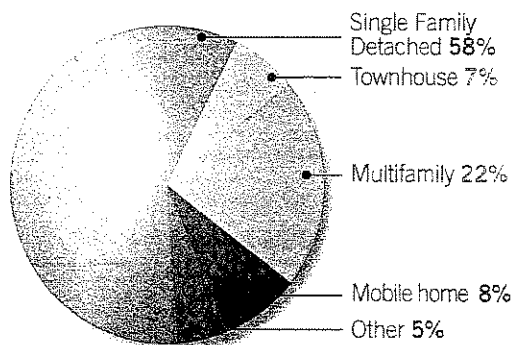


FIGURE 5

Which type of home do you currently live in?
(Percent of Respondents)

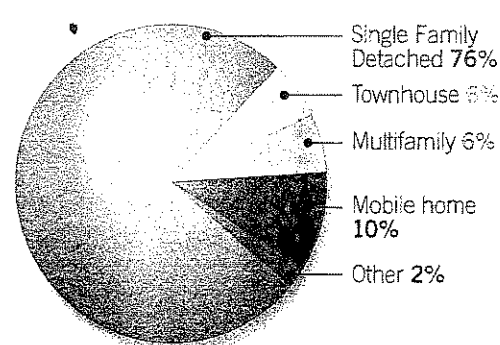


FIGURE 6 Thinking about the community you live in now, suppose you could change just one thing, what would it be?

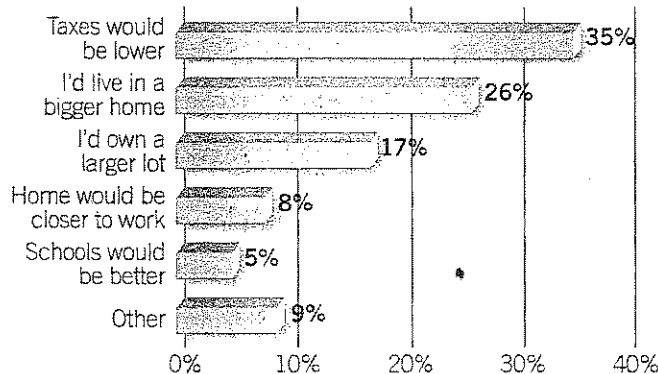
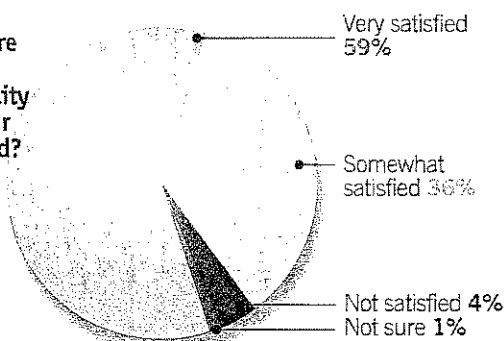


FIGURE 7

In general, are you satisfied with the quality of life in your neighborhood?
(Percent of Respondents)



percent said their previous home was in a close-in; established suburb, 23 percent said it was within a large city, 20 percent said within a small city, 17 percent said a rural area and 14 percent said outer suburb.

Whether the home owners lived in the city, an inner suburb or the suburban fringe, their responses to questions about quality of life indicate that Americans are happy with the neighborhoods where they have chosen to live [see Figure 7]. Some 92 percent of those who live within a city said they are somewhat to very satisfied with the quality of life in their neighborhood, a finding comparable to responses from those who live in a close-in, established suburb (96 percent), outer suburbs (96 percent) and rural areas (96 percent). And the vast majority think the quality of life in their commu-

nity has remained the same or is getting better.

Survey respondents named quality of the community and neighborhood as one of the most important factors they would consider if they were buying a home today. A recent survey of renters commissioned by NAHB Multifamily had similar findings, with nearly half of America's apartment households saying they choose to rent because it "suits their lifestyle."

Responses to a question about three hypothetical choices found that 82 percent of home buyers prefer to live in the suburbs. Consumers were asked to choose their preference among three hypothetical choices: Buy a small single-family home in the city, close to work, public transportation and shopping; buy a small single-family home in a sub-

urban area close to the city; or buy a large single-family home in an outlying suburban area with longer distances to work, public transportation and shopping.

"The options reflect the market reality that in most cases a family can buy a larger home in outlying suburbs for considerably less money than they can in the city or close-in suburbs," Garczynski said. "When offered the same options in real life, many families of comparable means do choose larger homes in the outer suburbs."

Buying a large single-family home in an outlying suburban area, with longer distances to work, public transportation and shopping was the choice of 42 percent of the households, followed by buying a small single-family home in a suburban area close to the city, 40 percent. Eighteen percent of the households said their first choice would be to buy a small single-family home in the city close to work, public transportation and shopping.

"When it comes to individual behavior, the responses about the homes they have purchased and their desires about their next home indicate that individual consumers want a larger home on a larger lot," Garczynski said. "They express far less concern about the time and distance of the commute to work, proximity to the city or the availability of public transportation."

The survey asked consumers to rate the importance of 11 quality of life factors. Quality of community and neighborhood was rated very important by 80 percent of respondents. This was followed closely by crime rate, 79 percent, and price of

home, 78 percent. Some 67 percent of the respondents rated the size and features of the home as very important, followed by builder's reputation, 62 percent; size of lot, 54 percent; quality of the school district, 44 percent; highway access, 34 percent; and close to work, 31 percent. Scoring lowest were convenience to public transportation, 11 percent, and close to shopping, 24 percent.

In response to the question, "who, in your opinion, is most responsible for urban sprawl," 49 percent indicated builders and developers. Some 48 percent said elected officials and planners were responsible, while 43 percent said that consumers who want larger, less expensive homes were responsible.

"The survey indicates that home buyers understand there are many players in the growth process and those players share responsibility for existing patterns of development," Garczynski said. "All of us need to be more mindful of how our choices shape our communities."

Housing Choice and Smart Growth

About the Survey

The National Association of Home Builders (NAHB) and the National Association of Realtors® (NAR) conducted this survey.

Polling firm: National Family Opinion (NFO)

Survey method: Mail

Sample: The sample of 2000 households was derived from a national panel of households maintained by NFO who indicated that they had purchased a primary residence and moved within the last 48 months.

Margin of Error: +/- 3 percent

Conducted: January 2002

For more information, visit www.NAHB.com.